

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 3496-01
BILL NO.: HB 1494
SUBJECT: Civil Rights
TYPE: Original
DATE: February 7, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Labor and Industrial Relations** and the **Office of Administration - Division of Personnel** assume the proposal would have no fiscal impact to their agencies.

Office of State Courts Administrator officials assume there may be some increase in the number of cases filed as a result of this proposal. They would not expect a significant impact on the workload of the courts.

Officials of the **Department of Transportation (MoDOT)** assume the proposal attempts to codify existing case law regarding sexual harassment. Although they assume the proposal generally states what the law has held regarding liability for sexual harassment (it has been accepted as covered by current state human rights law), it broadens the scope of employers' liability by allowing for strict liability for the employer for any actions of its "agents"- which could include all employees, not just supervisory ones. In addition, the Supreme Court has recognized an employer defense to liability which the proposal omits. The proposal also lengthens the time limit for filing a civil action to 300 days after receiving a right-to-sue letter (federal law allows 90 days). MoDOT officials also assume the proposal would effectively eliminate allowing time for the Missouri Commission on Human Rights to investigate and attempt to resolve charges, in that currently an employee cannot get the right-to-sue letter until 180 days have passed since filing the charge, while the proposal allows them to request the letter the day after filing the charge. MoDOT officials note that the proposal emphasizes the right to recover punitive damages. As a result of these issues, MoDOT assumes they would experience an increased number of grievances and lawsuits, resulting in a need for increased staff, and potential exposure to punitive damages. Costs for one attorney and one human resources specialist plus related expenses would total \$112,752 for FY 2001, \$122,074 for FY 2002, and \$125,144 for FY 2003, in addition to unknown impact from exposure to punitive damages.

Officials of the **Office of the Attorney General** assume costs could be absorbed within the existing budget.

Oversight assumes that any increase in filings of sexual harassment claims as a result of the proposal should be able to be handled by existing staff in the various state agencies and local governments. In addition, if the intent of the proposal is to correlate with recent court actions, there would likely not be significant impact on awards to claimants as a result of the proposal.

	FY 2001	FY 2002	FY 2003
<u>FISCAL IMPACT - State Government</u>			
	\$0	\$0	\$0
	FY 2001	FY 2002	FY 2003
<u>FISCAL IMPACT - Local Government</u>			
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

The proposal includes several provisions relating to state discrimination actions. The proposal eliminates the upper age limit of 70 for claiming age discrimination and specifies that sexual harassment is an unlawful discriminatory practice. Employers are responsible for the acts of their agents and supervisory employees when those acts constitute sexual harassment regardless of whether the employer knew or should have known of the conduct.

In addition, the bill modifies several procedures relating to filing claims alleging unlawful discrimination. The time limit for filing a claim before the Commission on Human Rights alleging unlawful discrimination relating to employment or public accommodation is extended from 180 to 300 days from the alleged conduct. The commission is required to issue a letter explaining the claimant's right to bring a civil action when the commission terminates its processing of the complaint or if the complainant requests a letter after filing the complaint. Currently, complainants may request a letter after 180 days from filing the complaint. The time limit for filing a civil action is extended from 180 to 300 days from the date of the commission's letter. The bill also authorizes jury trials for these actions, eliminates the current requirement that civil actions must be filed within 2 years of the alleged act, and specifies that plaintiffs may be awarded damages for mental anguish, humiliation, mental suffering, or emotional distress.

The bill has an emergency clause.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

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Department of Labor and Industrial Relations
Office of State Courts Administrator
Office of Administration - Division of Personnel
Department of Transportation
Office of the Attorney General

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive script.

Jeanne Jarrett, CPA
Director
February 7, 2000